SUBJECT: Federal Marketplace (FMP) Strategy

1. **BACKGROUND:**

   The FMP Strategy is GSA's plan to modernize and simplify the buying and selling experience for customers, suppliers, and acquisition professionals. GSA wants to ensure the FMP experience of tomorrow is even better than it is today.

   a. General Background:

   Efforts to improve the Federal Marketplace include optimizing the buying experience by enhancing the Federal Acquisition Service's (FAS) acquisition vehicles, improving FAS' customer experience, and emphasizing workforce readiness. In Fiscal Year (FY) 2021, the focus around the Federal Marketplace effort is:

     i. improving the data underlying product and service search capabilities,
     ii. using expanded vendor data to improve the experience of buying services,
     iii. assessing the commercial e-commerce portals, proof of concept on commercial buying, and
   iv. expanding implementation of the FAS-wide contract writing system.

   Through the [FMP Strategy Releases](#), GSA shares its progress on improving the acquisition experience, identifies challenges and opportunities, and aligns milestones. The acquisition journeys of the customers and suppliers who depend on GSA to execute their mission-critical work are central to the FMP Strategy. GSA gathers feedback and makes continuous, iterative changes based on what is heard. To date, five FMP Strategy Releases highlighting over 60 enhancements have been published.

   ▪ The five key initiatives are:

     i. **Multiple Award Schedule (MAS) Consolidation** -

     [GSA Schedules (also referred to as Multiple Award Schedules (MAS)](#) or Federal Supply Schedules (FSS)) are long-term Governmentwide contracts with commercial firms providing Federal, state, and local government buyers access to more than 11 million commercial supplies (products), services, and solutions at volume discount pricing.

MAS Consolidation
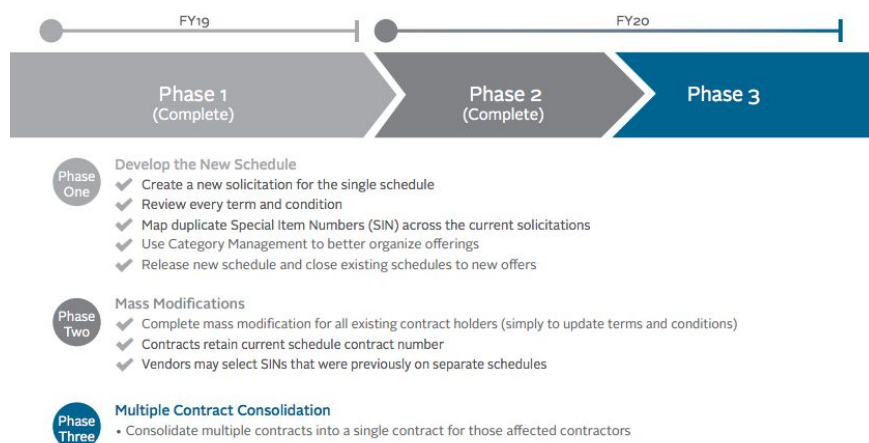
GSA is modernizing Federal acquisition by consolidating GSA's 24 MAS contracts into one single Schedule for products and services - creating a more consistent buying and selling experience, making it easier for Federal, state, and local governments to buy and for industry to offer solutions. This project was implemented using a phased approach.

In Phase 1, completed September 30, 2020, GSA released the single consolidated MAS solicitation. A single MAS solicitation provides:

- better alignment with government-wide acquisition categories,
- streamlined and consistent baseline terms and conditions,
- flexibility, where needed, to support unique category requirements,
- and a single source for all commercial suppliers.

In Phase 2, GSA transitioned all current contractors to the single MAS solicitation structure. At the end of Phase 2, 99% of contractors successfully migrated to the new MAS contract structure by the July 31, 2020, deadline.

The third and final phase, which began August 1, 2020, requires contractors with multiple contracts to consolidate down to one contract per contractor unique entity identifier (UEI). Phase 3 will take five to ten years to complete as GSA works hand-in-hand with its stakeholders to make sure the transition does not impact any ongoing Government acquisitions.

ii. **Commercial Platforms** -- GSA is establishing a Governmentwide program to procure commercial products through commercial e-commerce portals, as directed in Section 846 of the FY 2019 National Defense Authorization Act (NDAA). In August 2020, GSA launched an initial proof of concept with three e-marketplace platforms (Amazon Business, Fisher Scientific, and Overstock.com) and a small subset of agencies and Government Purchase Card holders, for the purchase of commercial products below the micro-purchase threshold. Implementation of this proof of concept will continue forward in FY2021 and FY2022. The proof of concept enables GSA to demonstrate the viability of a Governmentwide approach to online buying that enables agencies to gain critical insights into this area of growing online spend, leverage the Government's buying

power, ensure small business participation and increase supply chain visibility.

iii. **Catalog Management** -- Catalog management consists of the processes, systems, and policies that control the quality and accessibility of products and services data across FAS sales channels. GSA will deliver a superior catalog management capability that improves the buying and selling experience for customers, industry partners, and the GSA workforce by making processes and systems simpler, more modern, and more efficient.

GSA has developed a Future-State Blueprint to transform GSA's catalog management environment for customers, industry partners, and the GSA workforce. Central to this future-state is a vision for a new Common Catalog that will serve as the single source of truth for ALL FAS catalog data. Within this Common Catalog, FAS and supplier personnel will approve, store, enrich, and maintain catalogs, and deliver higher quality catalog data to GSA's ecommerce platforms. In concert with the establishment of a new Common Catalog, this Future-State Blueprint contemplates improvements to GSA's existing business processes and policies that will ensure future-state catalog system readiness.

In FY21-FY22, the Catalog Management project will establish the new Common Catalog and will begin to retire legacy catalog management systems. GSA will also deploy a Verified Product Portal to improve MAS product data quality

iv. **Contract Writing System--** GSA plans to deliver an integrated commercial solution that will support the contract acquisition lifecycle. The solution will provide a unified set of tools to make the FAS enterprise acquisition process more simple, modern, and efficient. GSA is referring to this effort as the FAS Contract Acquisition Life-cycle Management (CALM) initiative.

GSA plans to deliver the CALM solution in phases. Initial functionality includes contract authoring/clause logic, contract award, and contract administration. At the conclusion, CALM will exist as an enterprise-wide, end-to-end acquisition management solution. It will have the flexibility and agility to incorporate additional technologies, scope, and functionalities as needs evolve.

v. **Digital Experience** -- GSA is in the process of creating a new streamlined, intuitive, user-centered digital presence to support the customer buying and selling experience and drive increased use of FAS products and services delivered through the FMP. Today, customers choose between multiple tools that perform similar functions that neither sync with their buying/selling process nor present a consistent look-and-feel. This effort includes identifying common user journey maps, developing the digital experience platform that supports those journeys, integrating existing tools and platforms, connecting to buying tools, and establishing easy integrations for new tools and capabilities as they come online.

b. Issues:

▪ Several factors, including complex regulations, aging IT systems, and duplicative contracts, created a challenging acquisition landscape. The result is a burdensome

buying and selling experience for customers and suppliers doing business with the Government, as well as acquisition professionals working in Government.

- ▪ Catalog Management - GSA's customers, suppliers, and workforce experience significant issues with catalog data quality and accessibility, inefficient processes, and an unclear understanding of existing systems. These issues are well documented through Customer Loyalty survey results, GSA Advantage! site feedback survey results, catalog processing cycle time reports, and volume of helpdesk tickets associated with catalog systems and processes.
- ▪ CALM - The first contract award was protested. The project team needs to resolve the protest and re-award to begin implementing the pilot. The delay in schedule may cause issues for other projects.
- ▪ Commercial Platforms - Agencies have minimal visibility into the growing portion of Federal spend taking place using the Government Purchase Card via commercial e-commerce portals. Federal agencies are looking to leverage commercial capabilities while obtaining data they can use to analyze spend, reduce supply chain risk, and improve internal controls. Suppliers are looking for lower barriers to entry to begin selling to the Government market, if not already participating through other buying channels.
- ▪ MAS Consolidation - The three phase MAS Consolidation project was designed to address the following issues:
  - Inefficient duplication of effort across multiple Acquisition Centers in order to maintain multiple contracts per contractor.
  - Industry's challenges and burden with maintaining multiple contracts to provide the total solutions customer agencies need.
  - Uneven playing field for small businesses that find it difficult to obtain a Schedule contract.
  - Confusing and duplicative terms and conditions that make it difficult for buyers to determine which contracts meet their needs.
  - Buyers finding it difficult to easily find suppliers that provide the solutions, products and/or services they need;
  - Inefficient and unclear acquisition workforce standards and practices.
- ▪ Digital Experience (DX) - GSA provides many online tools and resources to help with acquisition, yet user feedback indicates the experience can be disjointed and confusing. Customers want one digital location where they can buy and vendors want one place to meet those customers' needs.

2. **SCOPE AND EFFECT:**

a. Impact on GSA's Customers:

- ▪ The FMP Strategy connects and coordinates over 20 projects that deliver improvements to how GSA customers acquire products, services, and solutions that meet their mission needs.
  - i. Catalog Management (CM): GSA's CM initiative will improve how GSA manages the data associated with more than 50 million products and services in the FMP. Through four phases, catalog management will become simpler, more modern, and efficient for customers, suppliers, and the FAS workforce. Central to the CM initiative is the creation of a portal for suppliers and AWF members to manage catalogs and feed higher quality data into multiple customer-facing systems.
  - ii. Contract Acquisition Life-cycle Management (CALM) system: CALM will modernize all of the internal acquisition processes and systems in FAS.

GSA's goal is to provide a comprehensive, flexible, and scalable solution for all types of contract actions, whether simple or complex.

    iii. Commercial Platforms (CP): GSA's CP program will enable Federal agencies to purchase commercial products online through partnerships with multiple commercial e-commerce portals, as directed by the National Defense Authorization Act (NDAA) for Fiscal Year 2018, Section 846. Agencies are already purchasing through online platforms and are doing so in an ad hoc manner that leads to fragmentation and lack of visibility into what is being purchased, where the products are coming from, and who is supplying them. CP's Governmentwide approach provides a standardized whole-of-Government approach enabling agencies to gain critical insights into online spend, leverage the Government's buying power, ensure small business participation, and increase supply chain visibility.

    iv. Multiple Award Schedules (MAS) Consolidation:

        1. Customers realize several benefits from MAS Consolidation as outlined in the [MAS Consolidation Customer Brochure](), including:

            a. Faster acquisition

                i. Less contract duplication as buyers do not have to piece together a solution from multiple contracts on multiple Schedules.

                ii. Faster market research and acquisitions as Schedule holders move all offerings to one single contract.

                iii. One set of terms and conditions across the MAS Program, ensuring more consistency in contracting practices and faster review and negotiation time.

            b. Increased competition

                i. Increased transparency, as all products and services are part of the same Schedule.

                ii. Ability to compare suppliers' full suite of offerings.

                iii. Streamlining the Schedule solicitation to increase small business participation.

    v. Digital Experience (DX) project: FAS is adopting a streamlined, intuitive, user-centered digital presence to support the customer buying and selling experience and drive increased use of FAS products and services delivered through the FMP. Today, customers choose between multiple tools that perform similar functions and are neither in sync with their buying/selling process nor consistent in look-and-feel.

b. <u>Impact on the Private Sector and State & Local Governments</u>:

- Through the FMP Strategy, GSA lowers costs and increases access to opportunities for suppliers, by reducing barriers to doing business with the Government. GSA also creates guides and tools to help not only Federal agencies, but also state and local governments, to obtain the materials and services they urgently need during emergencies or disasters.

- Catalog Management will make it easier for suppliers to add and modify offerings, and easier for customers to search, compare, and identify offerings that meet their requirements. Savings are anticipated through sunsetting complex and outdated IT infrastructure. Other key performance indicators include Efficiency (e.g., improvement in catalog cycle times), Sales (e.g., increase in GSA Advantage! sales), and overall Customer and Supplier Satisfaction (e.g., improvement in Customer Loyalty Survey results as it pertains to Catalogs).
- CALM will standardize and improve interactions with vendors who supply goods and services to the Government.
- The Commercial Platforms program presents an opportunity to reach a new audience of small businesses that make up the majority of suppliers on many e-marketplace portals, providing them with an entry point into the Government market in the same manner that they reach their consumer customers today. The program estimates the total size of the market to be approximately $6B, based on existing Government Purchase Card data.
- MAS Consolidation - GSA is making it easier and more efficient for everyone to do business with Federal, state, and local governments by consolidating the 24 separate legacy Schedules into a single Schedule for products, services, and solutions.
    - Private Sector - Industry
        - Reduced contract duplication as contractors will be able to offer all products on a single Schedule.
        - Industry now has a single entry point for the MAS program and will have one Procurement Contracting Officer (PCO) managing their contract.
        - No need to manage multiple Schedules, reducing administrative costs and making their selling experience less burdensome.
        - Consolidating to one Schedule provides greater flexibility and speed to market.
        - The single Schedule will have one set of terms and conditions, ensuring more consistency in contracting practices.
    - State and Local Government - State and local government customers continue to buy using MAS through the following programs:
        - [Cooperative Purchasing](),
        - [Disaster Purchasing](),
        - [1122 Program](), and the
        - [Public Health Emergencies Program]().

        See impacts on GSA's customers in section above.
- DX will make it easier for all customers, including state and local governments, to find the tools, resources, and solutions they need through FAS.

3. **ACTION(S) PLANNED OR REQUIRED:**

    ▪ Coordinate and communicate the benefits of the Fall and Winter quarterly FMP releases

▪ Catalog Management is submitting an Executive Business Case (EBC) in the FY21 Fall Cycle (~December) to request funding to develop a new Catalog Management user interface for suppliers and workforce; subsequently the team will be releasing RFIs and RFQs with the intent of making an award by end of FY21.

▪ CALM expects to make a contract award in October, and begin development of the Phase 1 pilot for the ITC non-MAS acquisition workforce.

▪ The Commercial Platforms program will continue to implement the proof of concept in FY21, to include onboarding additional agencies and buyers. This metered approach allows GSA to start small, test, and refine as lessons are learned throughout the proof of concept. The program will analyze the data gained from the proof of concept to assess impacts and to determine the next steps for the program beyond this initial test.

▪ MAS Consolidation - GSA is working on Phase 3 for the next five to ten years, which includes supporting its acquisition workforce and industry as contractors plan and actively consolidate their multiple contracts down to one.

▪ DX will need support from leadership to:

   i. Make Single Sign On (SSO), a strategic imperative for DX, a top priority;

   ii. Ensure implementation of a reliable cloud platform for development of the FAS Entry Point; and

   iii. Maintain visibility and focus as DX combines legacy data sources and creates a robust search capability.

4. **KEY STAKEHOLDER INTEREST:**

- Catalog Management - N/A

- CALM - N/A

- Commercial Platforms - Interested stakeholders include OMB, GAO, House Armed Services Committee (HASC), House Committee on Oversight and Reform (HCOR), and the White House's Office of Trade and Manufacturing Policy.

- MAS Consolidation - Stakeholders include industry (contractors, potential contractors, industry associations, etc.), customers (as outlined in ADM 4800.2H), and GSA's internal MAS workforce (consisting of procurement analysts, contracting officers, contracting specialists, administrative contracting officers, and industrial operations analysts, etc.).

- DX - N/A

5. **FISCAL YEAR 2021/2022 BUDGET IMPACT:**

FMP PMO budget for FY21 is $2.05M. FY21 will be the last of a 3-year investment, and FMP plans to submit a new business case to continue funding in FY22.

Projects: Insert FY21/22 budget per project

- Catalog Management - Currently, Catalog Management has a budget of $1.7M to continue modernizing the storage infrastructure for catalog data; additional budget may be realized through the aforementioned Fall EBC cycle.

- Due to protest and re-award of the contract, CALM will realign FY20 funding of $7,986,000 to FY21 for Phase I Pilot work. No other funding will be provided until the go/no go decision for Phase II.

- Commercial Platforms - The team has a $700K budget in FY21, with the majority funding professional management support that provides the program with a dedicated e-commerce subject matter expert, as well as access to other shared resources (across all 4 cornerstone projects) including change management, data/metrics development, and visual communications. Approximately $175K of the total budget is allocated for 1) small system upgrades to existing FAS systems to allow for platform sales data to be ingested using the FAS Sales Reporting Portal tool and 2) hosting fees on the Data2Decisions platform.

- MAS Consolidation - $500K for updates to eTools (GSA eLibrary, GSA Advantage!, and GSA eBuy).

- DX is a 5-year project. Budget for year two of the project (FY21) is $5,399,197 while FY22 budget is $5,067,638.